

House Energy and Commerce Committee
Subcommittee on Oversight and Investigations Hearing
“Thoroughbred Horse Racing Jockeys and Workers: Examining
On-Track Injury Insurance and Other Health and Welfare Issues”
November 17, 2005

Testimony Submitted by Mr. D.G. Van Clief, Jr.
Commissioner, NTRA and President, Breeders' Cup Limited

Thank you for this opportunity to address the Subcommittee on Oversight and Investigations regarding the issues of jockey safety and insurance.

The NTRA is a member-based trade association that represents owners, breeders, horsemen, racetracks and other horse racing interests. In addition to managing certain events, including the Breeders' Cup World Thoroughbred Championships, the association represents its members in marketing and television contracts, public relations, government affairs and sponsorship sales and development programs.

As a trade association, the NTRA serves from time to time as a “convening authority” to address national issues. Over the years, the organization has empanelled industry groups to address equine medication and drug testing, wagering technology, and, most recently, jockey insurance.

The NTRA does not contract with jockeys, backstretch workers or exercise riders. However, like all members of the racing community, we recognize the important role that these individuals play in our industry and the risks that they incur each year while discharging their duties in connection with the care, exercising and riding of some 74,000 race horses participating in 58,000 races and making a combined total of 487,000 starts.

The recent media reports of alleged misappropriations by the management of the Jockeys' Guild, reports that its health care plan is in arrears, as well as the Guild's decision in 2002 to allow its

policy for on-track catastrophic insurance for jockeys to lapse, create grave concerns that the Guild's actions have jeopardized the health and welfare of hundreds of riders.

It is not our role or intent to intervene in the Guild's management issues. However, given the organization's apparent financial and administrative disarray, the racing industry cannot continue to work with it until the Guild institutes comprehensive reforms.

At the same time, NTRA has and will continue to work cooperatively with our member associations, jockeys, horsemen and other industry stakeholders, as well as insurance service providers and the appropriate legislative and regulatory agencies to identify cost-effective and equitable solutions to the problem of lapsed catastrophic coverage for riders.

In 2004, upon learning that the Guild had allowed its catastrophic injury insurance for its members to lapse, the NTRA formed a 33-member Task Force on Jockey Accident Insurance (see attached announcement). The panel included a cross section of insurance providers, jockeys, racetrack representatives and horsemen. They assembled the relevant facts, such as existing levels of accident insurance coverage for jockeys; the mechanisms used by each jurisdiction to fund this coverage; and examined workers' compensation programs currently in place in major racing jurisdictions such as California, New York, New Jersey and Maryland.

The panel endorsed a minimum insurance level of \$500,000 and recommended a \$1 million level (see attached news release). The group also identified a private insurance solution through AIG, the nation's largest underwriter of commercial and industrial insurance, which has since developed a program for Thoroughbred racetracks throughout North America. In most cases, racetracks can purchase \$1 million of limits for 50% to 75% more than they were paying for \$100,000 worth of coverage with the CIGNA program available through the trade association known as the Thoroughbred Racing Associations of North America.

NTRA member tracks, excluding those in states where jockeys are covered under workers' compensation (New York, Maryland, California, New Jersey and Idaho), represented 3,452 race days in 2004. According to AIG, 25 NTRA member tracks, including those of Magna

Entertainment and Churchill Downs Incorporated, have purchased the Jockey On-Track Accident program. These tracks represented 2,316 race days in 2004. Thus, 67 percent of the NTRA member track “exposure” is now insured under this program. Several other NTRA member tracks have requested and received an AIG proposal. If they bind, more than three-quarters of our member exposure will be insured at the level recommended by the Jockey Insurance Task Force, with the majority at the \$1 million level. The remaining tracks are with the TRA, whose CIGNA program offers \$100,000 in coverage.

AIG will also provide an excess policy on top of the \$1 million of coverage for all individual jockeys riding at tracks that purchased the underlying \$1 million worth of coverage. Jockeys would be able to buy coverage at very competitive rates due to the high deductible carried by the participating tracks. AIG has indicated that Guild reform will be needed before it will be confident enough to use the organization as a means of channeling this option to jockeys nationwide. We remain optimistic that these reforms will be carried out shortly and that jockeys will have access to this added coverage.

In addition to providing on-track catastrophic insurance for jockeys at levels ranging from \$100,000 to \$1 million, North American racetracks work to ensure that the racing environment is safe for both equine and human athletes as a matter of routine. The safety features may vary between jurisdictions but generally include:

- Pre-race inspection exams by state-licensed veterinarians for all race-day equine competitors
- Post-race equine drug testing under an industry-sponsored program
- Track maintenance that includes harrowing, soil conditioning and watering as needed to produce a safe and consistent surface
- Safety rails designed to minimize injuries to horses and riders should a racing accident occur
- Engineered racing surfaces such as Polytrack, which are designed to reduce the incidence of on-track injuries for horses
- An ambulance that follows each racing field from starting gate to finish

- Padded starting gate stalls and professional handlers for each horse in the starting gate
- On track alarms to alert jockeys in the event of an emergency during a race
- Protective helmets and vests for jockeys

Twenty-six industry stakeholder organizations support the Racing Medication and Testing Consortium that develops model rules for race-day medication and drug testing. The RMTC also funds university-level research into equine drugs.

Members of the industry meet regularly to exchange ideas and information regarding numerous issues, including racetrack safety. These industry conferences include the University of Arizona's annual Symposium on Racing, the Asian Conference on Racing; the International Federation of Racing Authorities; the American Association of Equine Practitioners' annual convention and conferences conducted by the Association of Racing Commissioners International and North American Pari-Mutuel Regulators Association, among others.

Numerous industry organizations provide assistance for jockeys and other members of the racing community, including the Jockey Club Foundation, established in 1943 to assist industry workers, including injured jockeys; the Shoemaker Foundation, formed in 1991 with a mission to provide financial assistance to any individual in the racing industry who has suffered a catastrophic illness or accident after exhausting available workers' compensation and insurance benefits; and the Don Macbeth Memorial Jockey Fund, providing a wide range of assistance to riders from purchasing medical equipment to providing monetary assistance. Numerous benevolent groups exist among horsemen's associations to assist backstretch workers in need, while organizations such as the Winners Federation and the Race Track Chaplaincy provide substance abuse counseling and other social services.

Equine medical research, focusing on equine health and safety, is funded largely by the industry itself through the Grayson-Jockey Club Research Foundation, the world's largest private funder of equine medical research. Additionally, UC-Davis conducts a racehorse necropsy program funded by the racing industry to determine the nature of catastrophic injuries to horses and develop injury prevention strategies. Ongoing scientific research into racetrack injuries is aimed

at identifying causal factors for injuries with the goal of reducing the incidence and severity of equine injuries and so indirectly ensuring the safety of jockeys and exercise riders.

In closing, I would like to thank the Committee for its work on the important issues of jockey insurance and safety. The racing industry is committed to a shared and speedy resolution to the jockey insurance issue and believes that with requisite levels of accountability, transparency and professionalism, the Guild can resume its role as a facilitator for jockey health and safety programs. The apparent lapse in Guild management that the Committee's investigation has helped to expose is, we believe, an aberration in the organization's 65-year history of service to riders.

We look to our industry, in concert with state regulatory agencies and a reconstituted, credible jockeys' organization to ensure that our sport continues to operate in a manner that will protect both its participants and its public.

NTRA ANNOUNCES JOCKEYS' MEDICAL INSURANCE PANEL

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Contact: Eric Wing (212) 230-9511

The National Thoroughbred Racing Association (NTRA) today announced the participants on a Jockeys' Medical Insurance Panel to review current issues involving jockeys and their medical coverage in the various horseracing jurisdictions. The panel's purpose is to bring relevant parties together to conduct a systematic review of the facts and practices relating to jockeys' insurance coverage.

"Our members – representing racetracks, owners, breeders and other horsemen – have asked us to look into this issue," said NTRA Commissioner D.G. Van Clief, Jr. "It's a national issue deserving of a national solution that can only come about through input and involvement by all of the parties involved."

The working group will receive reports from industry stakeholders and has retained the services of Anthony B. Byergo, an employment law expert for the St. Louis-based law firm Armstrong Teasdale.

The panel will have its first meeting on Monday, November 22. The members of the Panel are:

Don Amos, Magna Entertainment Corp.

Greg Avioli, NTRA

Jerry Bailey, jockey

Vicki Baumgardner, Churchill Downs, Inc.

Paul J. Bowlinger, North American Pari-Mutuel Regulators Association

Donna Brothers, retired jockey

Susan Bunning, Kentucky HBPA

Keith Chamblin, NTRA, Chairman

Drew Couto, Thoroughbred Owners of California

Pat Day, jockey

Robert Elliston, Turfway Park

Alan Foreman, Thoroughbred Horsemen's Association

Randy Fozzard, Turf Paradise

Jim Gallagher, Kentucky Horse Racing Authority

Darrell Haire, Jockeys' Guild

Corey Johnsen, Lone Star Park at Grand Prairie

Jack Knowlton, Thoroughbred owner

Richard Mandella, trainer

Dan Metzger, Thoroughbred Owners and Breeders Association

Terry Meyocks, NTRA

Linda Mills, Florida HBPA

John Milward, Palmer & Cay

Eddie Plesa, Jr., trainer

Lonny Powell, Association of Racing Commissioners International

John Roark, National HBPA

Chris Scherf, Thoroughbred Racing Associations

Steve Sexton, Churchill Downs

David Switzer, Kentucky Thoroughbred Association

John Unick, Maroevich, O'Shea and Coghlan

D.G. Van Clief, Jr., NTRA

Richard Violette, New York Thoroughbred Horsemen's Association and trainer

John Ward, Kentucky Thoroughbred Owners and Breeders Association and trainer

The NTRA is a broad-based coalition of horseracing interests, including the American Quarter Horse Association, charged with increasing popularity of horseracing and improving economic conditions for industry participants. The NTRA and Breeders' Cup Limited also administer the Breeders' Cup World Thoroughbred Championships, Thoroughbred racing's year-end Championships consisting of eight races and \$14 million in purses and awards, and the Breeders' Cup Stakes Program. The NTRA has offices in Lexington, Ky., and New York City. NTRA press releases appear on the NTRA Web site, ntra.com.

JOCKEY ACCIDENT INSURANCE WORKING GROUP ANNOUNCES CONCLUSIONS

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Contact: Keith Chamblin, (859) 621-1120

The NTRA Jockey Accident Insurance Working Group, formed in November 2004 in the aftermath of public reports that The Jockeys' Guild had discontinued catastrophic accident insurance coverage for its members, and in the wake of jockeys' refusal to ride at Churchill Downs and Hoosier Park, announced its conclusions today.

They include:

- * Comprehensive workers' compensation coverage should be a major consideration in all racing jurisdictions where workers' compensation is not already in place. Workers' compensation models similar to those in place in California, Maryland, New Jersey and New York should serve as industry models.

- * Coverage through a private insurance carrier or formation of a private insurance captive also should be given consideration as an alternative to state-legislated workers' compensation;

- * The industry should strive to raise the level of accidental insurance coverage for jockeys to levels commensurate with coverage provided by The Jockeys' Guild previously before it discontinued catastrophic accident coverage on behalf of its riders.

- * Although placement of coverage and funding must be resolved by industry participants in individual jurisdictions, the Working Group called for all segments of the industry, including jockeys, to contribute to the funding of any additional insurance coverage for jockeys;

- * The Working Group will share its data and research with industry members and assist in the development of model language for workers' compensation legislation.

"Insurance coverage is a critical issue in virtually every racing jurisdiction throughout the United States," said NTRA Commissioner D.G. Van Clief, Jr. "In states where horsemen and racing associations are in agreement on this issue and choose to make it a priority, the NTRA will actively lend its support to trying to find a solution that covers the broadest number of industry participants."

A sub-committee of the working group identified a private insurance solution through AIG, which has since written policies for a number of NTRA-member racetracks, including Arlington Park, Calder Race Course, Churchill Downs, Ellis Park, Emerald Downs, Fair Grounds, Gulfstream Park, Hoosier Park, Keeneland, Kentucky Downs, Sunland Park and Turfway Park.

Van Clief thanked the Working Group participants for coming together to identify a solution to jockeys' catastrophic insurance coverage. "Those organizations that have taken action to increase their level of jockeys' catastrophic accident insurance coverage should be commended," Van Clief said. "I'm hopeful that all segments of the industry will continue to work together to try to find a long term solution to this difficult issue."

Members of the Working Group included:

Don Amos, Magna Entertainment Corp.
Greg Avioli, NTRA
Jerry Bailey, jockey
Vicki Baumgardner, Churchill Downs, Inc.
Paul J. Bowlinger, North American Pari-Mutuel Regulators Association
Donna Brothers, retired jockey
Susan Bunning, Kentucky HBPA
Keith Chamblin, NTRA
Drew Couto, Thoroughbred Owners of California
Pat Day, jockey
Robert Elliston, Turfway Park
Alan Foreman, Thoroughbred Horsemen's Association
Randy Fozzard, Turf Paradise
Jim Gallagher, Kentucky Horse Racing Authority
Darrell Haire, Jockeys' Guild
Corey Johnsen, Lone Star Park at Grand Prairie
Jack Knowlton, Thoroughbred owner
Richard Mandella, trainer
Dan Metzger, Thoroughbred Owners and Breeders Association
Terry Meyocks, NTRA
Linda Mills, Florida HBPA
John Milward, Palmer & Cay
Jim Phelps, owner
Eddie Plesa, Jr., trainer
Lonny Powell, Association of Racing Commissioners International
John Roark, National HBPA
Chris Scherf, Thoroughbred Racing Associations
Steve Sexton, Churchill Downs
David Switzer, Kentucky Thoroughbred Association
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